FILED

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS WACO DIVISION

MAY 0 9 2007

UNITED STATES FOR THE	§
USE AND BENEFIT OF	§
HIRSCHFELD STEEL CO., INC.	§
	§
V.	§
	§
MEDLIN CONSTRUCTION GROUP,	§
LTD. and UNITED STATES FIRE	§
INSURANCE COMPANY	§

CIVIL ACTION NO. WO7CA147

COMPLAINT

TO THE UNITED STATES DISTRICT JUDGE:

Hirschfeld Steel Co., Inc. ("Hirschfeld"), brings this action complaining of Medlin Construction Group, Ltd. ("Medlin") and United States Fire Insurance Company ("USFIC"), and for cause of action shows the following:

PARTIES

- 1. Hirschfeld is a Nevada corporation that has its principal place of business located at 112 W. 29th Street, San Angelo, Texas 76903.
- 2. Medlin Construction Group, Ltd., is believed to be a division of Medlin Industries, LLC, located at 18952 Redland Road, Suite 2A, San Antonio, Texas 78258-3561, and may be served through its President, Curtis R. Medlin, at that same address.
- 3. USFIC is a corporate surety that has issued a payment bond pursuant to 40 U.S.C.A. § 3131, commonly referred to as the Miller Act, and may be served through its designated agent for service of process, Lisa Pietenpol at 6404 International Parkway, Suite 1000, Plano, Texas 75093-8227.

VENUE AND JURISDICTION

4. This Court has exclusive jurisdiction and venue over this action pursuant to 40 U.S.C.A. § 3133 because the labor and/or materials for which suit is brought were provided in this district.

BACKGROUND

- 5. On or about October 30, 2001, Hirschfeld and Medlin entered into that certain Standard Purchase Agreement (the "Purchase Order") in connection with the construction of a vehicle maintenance facility at Fort Hood, Texas (the "Project"). A true and correct copy of the Purchase Order is attached hereto as Exhibit "A" and is incorporated herein by reference.
- 6. In connection with its work for Medlin associated with the Project, Medlin agreed to pay Hirschfeld the sum of \$704,457.00 in exchange for the work and materials specified in the Purchase Order.
- 7. Also in conjunction with the construction of the Project and pursuant to the requirements of the Miller Act, 41 U.S.C.A. §3131, USFIC issued a payment bond (the "Bond") binding itself to pay, among other things, the amounts owed by Medlin to Hirschfeld labor and or materials furnished to the Project in the event Medlin failed to make such payment. A true and correct copy of the Bond is attached hereto as Exhibit "B."
- 8. After applying all just and lawful offsets and credits, the amount owed by Medlin to Hirschfeld is the sum of \$290,976.00. Hirschfeld has made demand upon Medlin and USFIC for payment of that sum and remains unpaid. More than 90 days have elapsed from the date on which Hirschfeld performed its last labor or furnished its last materials to the Project. This action is brought with in the statutory time period for bringing actions of this type as modified by

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the parties' written Tolling Agreement. All conditions precedent to Hirschfeld's cause of action have been performed or have occurred.

CAUSES OF ACTION

BREACH OF CONTRACT—MEDLIN

9. Medlin breached the Purchase Order by failing to pay Hirschfeld the amounts due thereunder. Hirschfeld has performed all requirements under the Purchase Order that entitles Hirschfeld to full payment of all sums due under the Purchase Order. Despite this fact, and despite proper demand, Medlin fails and refuses to pay the sums due. As a result of Medlin's failure to pay, Hirschfeld has been damaged in the amount of \$290,976.00. Hirschfeld sues for recovery of this sum.

BOND CLAIM AGAINST USFIC

10. To the extent that Medlin has failed to pay the sums due under the Purchase Order for labor and or materials furnished to the Project, USFIC is obligated to pay those sums pursuant to the terms of its Bond. Hirschfeld sues USFIC for the sum of \$290,976.00 for payment of the sums due under the Purchase Order for the labor and or materials furnished to the Project.

OUANTUM MERUIT AGAINST MEDLIN

11. Hirschfeld provided labor and materials to Medlin under circumstances under which Medlin should reasonably expect to have paid for such labor and materials. In the event the Court determines that the parties do not have an enforceable contract, or to the extent that there is a determination that Hirschfeld is not entitled to recover under the terms of the Purchase

COMPLAINT—PAGE 3
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Order, Hirschfeld sues for the reasonable value of the materials provided, which sum is an amount no less than \$290,976.00.

ATTORNEYS' FEES

12. Pursuant to Section 38.001 of the Texas Civil Practices & Remedies Code, Hirschfeld is entitled to recover reasonable and necessary attorneys' fees incurred in connection with this action, for which sum Hirschfeld sues.

WHEREFORE, Hirschfeld prays that Defendants be cited and that summons be served upon Defendants to answer herein, and that upon the trial of this cause, Hirschfeld have and recover all sums due as set forth above, together with prejudgment interest, attorneys' fees, costs of court, interest after judgment, and such other and further relief to which it may be justly entitled.

Respectfully submitted,

QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C.

2001 Bryan Street, Suite 1800

Dallas, Texas 75201

214-871-2100 (Telephone)

214-871-2111 (Facsimile)

3y:<u>__/\$</u>

Terry L Salazar

Texas Bar No. 17527500

ATTORNEYS FOR

HIRSCHFELD STEEL CO., INC.

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF TEXAS **WACO DIVISION**

NOTICE OF DOCUMENT(S) NOT IMAGED AND CONTAINED IN CASE FILE

Civil Case No.

W-07-CA-147

[Plaintiff's Name] U.S. FOR THE USE AND BENEFIT OF

HIRSCHFIELD STEEL CO., INC.

VS.

[Defendant's Name] MEDLIN CONSTRUCTION GROUP, LTD., ET AL

Document #:

1

Description:

EXHIBIT A - VEHICLE

MAINTENANCE FACILITY TO

COMPLAINT

Filed By:

PLAINTIFF

File Date:

MAY 9, 2007

DEPUTY CLERK

2.

EXHIBIT

SEAL

STANDARD FORM 25A (REV.10-98)

Prescribed by GSA-FAR (48 CFR) 53.2228(c)

Previous edition is usable

SIGNATUREIS

NAME(S) &

(Typed)

1. Paul Friddle

AUTHORIZED FOR LOCAL PRODUCTION

Attorney-in-Fact

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- 1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the
- 2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.
- 3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY (IES)." In the space designated "CORPORATE SURETY(IES)."

- "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.
- (b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Governmen may require the surety to furnish additional substantiating information concerning its financial capability.
- Corporations executing the bond shall affix their corporate Individuals shall execute the bond opposite the worr seals. "Corporate Seal", and shall affix an adhesive seal if executed in Maine. New Hampshire, or any other jurisidiction requiring adhesive seals.
- 5. Type the name and title of each person signing this boni in the space provided.

Administrator of General Services.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of the UNITED STATES FIRE INSURANCE COMPANY as now in full force and effect.

ARTICLE IV Execution of Instruments. "The Chairman of the Board, Vice-Chairman of the Board, President, or any Vice-President, in conjunction with the Secretary, or any Secretary, if more than one shall be appointed by the Board, or an Assistant Secretary, shall have power on behalf of the Corporation:

- (a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;
- (b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation."

This Power of Attorney is signed and sealed under and by the authority of Article III, Section 9 of the By-Laws of the UNITED STATES FIRE INSURANCE COMPANY as now in full force and effect.

ARTICLE III Section 9 Facsimile Signatures. "The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed facsimile, lithographed, or otherwise produced... The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued."

CERTIFICATE

State of New Jersey County of Morris

I, the undersigned, Assistant Secretary of UNITED STATES FIRE INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing POWER OF ATTORNEY remains in full force and effect and has not been revoked and furthermore that the above quoted abstracts of Article IV and Article III, Section 9 of the By-Laws of the Corporation are now in full force and effect.

Assistant Secretary
David Pesce

POWER OF ATTORNEY UNITED STATES FIRE INSURANCE COMPANY PRINCIPAL OFFICE, NEW YORK, N.Y.

165293

KNOW ALL MEN BY THESE PRESENTS: That the UNITED STATES FIRE INSURANCE COMPANY a Corporation duly organized and existing under the laws of the State of New York, and having its administrative offices in the Township of Morris, New Jersey, has made, constituted and appointed, and does by these presents make, constitute and appoint Pat J. Moore, Paul Friddle, Gary W. Wheatley, Bryan K. Moore, and Michael Wibracht, of San Antonio, Texas, each

its true and lawful Agent(s) and Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver: Any and all bonds and undertakings

and to bind the Corporation thereby as fully and to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Corporation at its offices in Morris Township, New Jersey, in their own proper persons.

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 11th day of April, 2002.

Attest:

Assistant Secretary

David Pesce

TATE OF NEW JERSEY)

SS.:

COUNTY OF MORRIS)

On this 11th day of April, 2002, before the subscriber, a duly qualified Notary Public of the State of New Jersey, came the above-mentioned Vice President and Assistant Secretary of United States Fire Insurance Company, to me personally known to be the officers described in, and who executed the preceding instrument, and they acknowledged the execution of the same, and being by me duly sworn, deposed and said, that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal at the Township of Morris, the day and year first above written.

(Signed) (Seal)



Atherene (L. Voncavage Notary Public

FIRE INSURANCE COMPANY

Catherine A Sincavage
Notary Public of New Jersey
My Commission Expires July 12, 2004

₹ JS 44	Rev	11/045

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS			- · · · · · · · · · · · · · · · · · · ·	DEFENDANT	ŝ					***********
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409155 **ORIGINAL** AO82 RECEIPT FOR PAYMENT (Rev. 4/90) **UNITED STATES DISTRICT COURT** for the **WESTERN DISTRICT OF TEXAS** RECEIVED FROM AMOUNT **ACCOUNT** Fund 00 510000 **Deposit Funds** 6855XX Registry Funds 00 604700 General and Special Funds **Immigration Fees** 508800 Attorney Admission Fees 085000 Filing Fees 086900 Sale of Publications Case Number or Other Reference 322340 Copy Fees 322350 W:07-CA-14 Miscellaneous Fees 322360 Interest 143500 Fee U.S. for the Use + Benefit of Hirschfield Steel vs. Medlin Const. Group, Ltd, et al. **Recoveries of Court Costs** 322380 Restitution to U.S. Government 322386 Conscience Fund 121000 Gifts 129900 Crime Victims Fund 504100 **Unclaimed Monies** 613300 Civil Filing Fee (½) 510000 Registry Fee 510100 \$Checks and drafts are accepted subject to col-

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Check M.O.

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DEPUTYCLERK

lection and full credit will only be given when the check or draft has been accepted by the financial

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institution on which it was drawn.